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Crystal Lei

7
8 UNITED STATES DISTRICT COURT
9 FOR THE NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION
11

12 DEMAS YAN,

13 Appellant,

14 vs.

15 CRYSTAL LEI et al.,

16 Appellees.

) Case No.: 11-CV-1814-RS (JSC)
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) **DECLARATION OF BRIAN S. HEALY**
) **IN SUPPORT OF JUDGMENT**
) **CREDITOR CRYSTAL LEI'S REPLY TO**
) **DECLARATION OF DEMAS YAN IN**
) **OPPOSITION TO REPORT AND**
) **RECOMMENDATION RE:**
) **JUDGEMENT CREDITOR'S**
) **APPLICATION FOR CIVIL**
) **CONTEMPT, SANCTIONS, AND**
) **INCARCERATION**
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20) Re: Dkt. No. 140
) Dkt. No. 136
)

21) Judge: Hon. Jacqueline Scott Corley
22) Place: Court Rm. F, 15 Floor
23) 450 Golden Gate Ave. S.F.
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1 I, Brian S. Healy, declare:

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3 1. I am an attorney duly licensed to practice law by the State of California and am
4 authorized to practice law throughout the State of California. I am familiar with the matter stated
5 in this declaration from my own personal knowledge, were I called to testify, I would be
6 competent to and would do so.

7 2. I am the attorney for Judgment Creditor, Crystal Lei ("Lei").

8 3. I received one email from Demas Yan ("Yan") on April 24, 2019 which transmitted
9 20 pages of unsigned and incomplete tax returns – no complete schedules were attached to any of
10 the tax returns. The 20-page tax return documents received contained the same 6 pages of IRS
11 Form 1040 received by Lei on July 22, 2018 with the same alterations and omissions that show
12 the documents are unofficial and incomplete copies of Yan's tax returns.

13 4. After careful inspection, I noticed that tax return documents provided by Yan contain
14 manipulations and alterations that normally would not be accepted by the IRS on an official tax
15 return. From my experience, I know the IRS will not accept defects on tax returns that include
16 unauthorized redactions and missing forms and schedules. I further notice manipulation and
17 omissions of income reporting documents such as missing Forms W-2 and 1099, missing
18 schedules, and income reported on Yan's Form 1040s that is inconsistent with the documents
19 Yan provided of each tax year.

20 5. Yan is the owner and manager of various business entities. Yan has testified that he
21 is the manager of the company called 547 Investments, LLC which receives rental income from
22 tenants leasing real estate at 547 23rd Avenue in San Francisco. Yan failed to provide IRS
23 Schedule K-1 and other supporting documents as part of his tax returns in an apparent effort to
24 hide his involvement in business entities. Attached hereto as **Exhibit A** is a true and correct
25 copy of an excerpt of a transcript of an Order of Examination of Demas Yan by creditor Charles
Li on May 19, 2015 in San Francisco Superior Court, case no. CGC-10-497990.

1 6. Further inspection of Yan's finances shows a discrepancy between his actual income
2 and the income reported on Yan's purported tax returns. For instance, I am informed and believe
3 that Yan sold his Hong Kong real estate in 2015 for about HK\$2.81 million, but the purported
4 tax returns for 2015 and 2016 fail to reflect the sale. Attached hereto as **Exhibit B** is a certified
5 true and correct copy of the Hong Kong Land Registry's record of the sale of property located at
6 Flat 4 on 40/F of Block C, Tin Fu Court, 15 Tin Sau Road, Yuen Long, New Territories in Hong
7 Kong, on May 15, 2015, from Mr. Yan (a/k/a Demas Wai Yan) to Chung Ming Chow for
8 HK\$2,810,000.00.

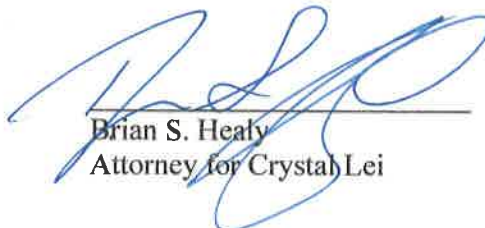
9 7. I conclude from the discrepancies and defects in Yan's purported tax return
10 documents that Yan has purposefully provided altered and inaccurate tax returns to conceal
11 assets and income that he has generated.

12 8. Attached hereto as **Exhibit C** is a certified true and correct copy of the Final Order
13 filed November 1, 2016 by the United States Court of Appeals for the Ninth Circuit, in the
14 matter of *In re: Demas W. Yan*, case no. 16-80097.

15 9. Attached hereto as **Exhibit E** is a true and correct copy of an excerpt of the transcript
16 of the Restraining Order hearing on March 28, 2019 in San Francisco Superior Court, in the
17 matter of *Bryant Fu v. Demas Wai Yan*, case no. CGC-18-580898.

18 10. Attached hereto as **Exhibit E** is a true and correct copy of an excerpt of the transcript
19 of the Order of Examination on June 27, 2017 in the United States District Court, case no. 3:11-
20 CV-01814-RS (JSC).

21 I declare under penalty of perjury under the laws of the State of California that the above
22 is true and correct and that this declaration is executed at San Francisco, California, this 2nd day
23 of December, 2019.

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Brian S. Healy
Attorney for Crystal Lei